

Public Notice

INSURANCE DEPARTMENT OF BANKING AND INSURANCE DIVISION OF INSURANCE

Notice of Alternate Interest Rates for Rate Submissions

Take notice that the Commissioner of the Department of Banking and Insurance (Commissioner), in compliance with N.J.A.C. 11:4-34.17(c)5v, hereby provides notice of an adjustment in the alternate interest rates used in rate submissions for long-term care insurance policies. These rates, as well as these adjustments to the rates, also apply to individual health insurance policies. These alternate interest rates are based on corporate yields for Aaa and Baa bonds as reported in U.S. Financial Data published by the Research and Public Information Division of the Federal Reserve Bank of St. Louis.

The alternate interest rate adjustments are effective immediately and are as follows:

(1) The current six percent interest rate graded linearly to four percent over 10 years and four percent thereafter shall be changed to five percent graded linearly to four percent over 10 years and four percent thereafter; and

(2) The current five percent level interest rate shall be changed to a 4.5 percent level interest rate.

innord/altintrate